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THE

Demand and Price

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UNITED STATES DEPARTMENT OF AGRICULTURE

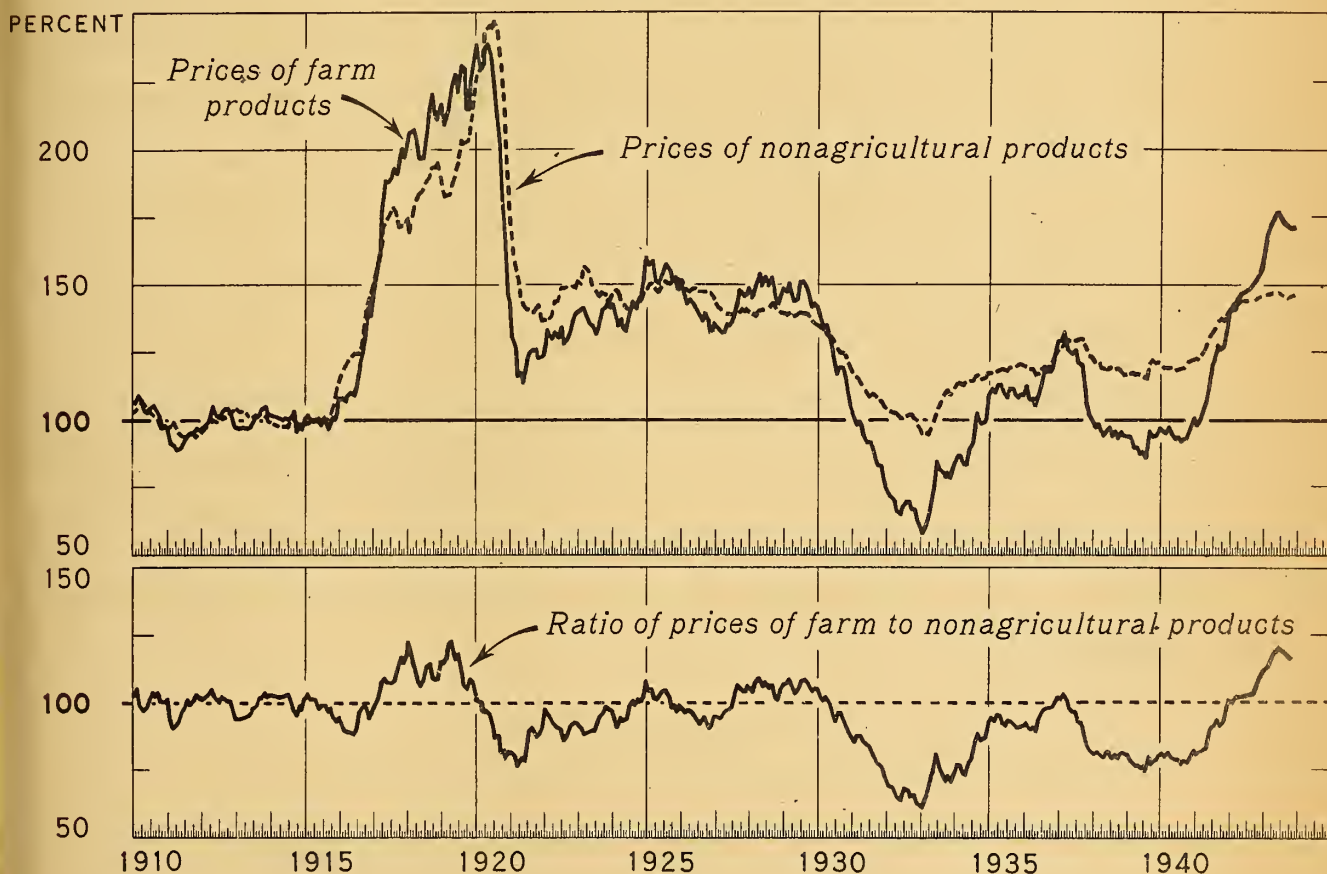
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BAE

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WHOLESALE PRICES AND RATIO, FARM AND NONAGRICULTURAL PRODUCTS, UNITED STATES, 1910-43

INDEX NUMBERS (1910-14=100)



U. S. DEPARTMENT OF AGRICULTURE

NEG. 24992 BUREAU OF AGRICULTURAL ECONOMICS

With few exceptions prices of nonagricultural products were higher than those of farm products, relative to the 1910-14 relationship, from 1930 to 1941 inclusive. During the last 2 years the prices of farm products have risen much more rapidly than other prices. This is similar to what happened during the last war. However, the extent of the rise and the levels attained have been less so far during the present war than they were during the period of World War I.

DEMAND FOR FARM PRODUCTS

Civilian demand for farm products is expected to continue at a very high level in 1944. At current prices consumers will wish to purchase more of most commodities than will be available. Demand for military, lend-lease and foreign relief and rehabilitation will be at least as large as it was in 1943.

Factors tending to increase civilian demand include the prospect of further slight increases in industrial production and in average weekly earnings per factory worker employed in the early part of the year. On the other hand any decline in the total civilian labor force as the size of the armed forces increases will tend to decrease civilian demand.

Industrial production in the United States, after adjustment for seasonal influences, has continued to rise, although at a slower rate than in the early months of 1943, according to the Department of Commerce index. In November 1943 the adjusted index was 247 as compared with 238 in May and 220 in November 1942. Most of the increase during the past year has been in durable manufactured goods, the index for which rose 58 points or 18.2 percent from November 1942, as compared with a rise of 10 points or 6.0 percent for nondurable goods.

Income and Employment

The Department of Commerce index of total income payments for the nation continues to rise. It was 221.4 in November 1943 as compared with 189.2 a year earlier. There has been an increase in the index every month. The rate of increase from November 1942 to May 1943 averaged 3.25 points per month, as compared with an average rise of only 2.1 points from May to November 1943. The largest percentage increase in income payments for the 12 months ending in November occurred in salaries and wages, which rose 17.4 percent as compared with 13.6 for other income payments.

The trend of income payments during the next few months is largely dependent on what happens to civilian employment and to wages. Total civilian employment, as estimated by the Bureau of the Census, was increasing to July 1943, after which there was a decline of 2,400,000 persons to November 1943, although the decline from July to November was partly seasonal. The total employment in November 1943 was lower by 1,500,000 persons or 2.8 percent lower than it was 1 year earlier. Agricultural employment, except for seasonal shifts, has remained stable and was the same in November 1943 as in November 1942. Nonagricultural employment, except for a rise in June and July and a slight rise from October to November, has declined rather steadily throughout the year. Present prospects for industrial production and the needs of the military services for still more men suggest further declines in the civilian labor force during 1944.

The average weekly earnings of factory workers rose almost uninterruptedly during the past year. The actual rise from October 1942 to October 1943 amounted to \$6.01 or 15.5 percent. The greatest rise occurred in industries manufacturing durable goods, where the weekly rates are much higher than in industries making nondurable goods. Recent actions with respect to wages are resulting in a further increase in weekly earnings, although the elimination of some overtime, if industrial production should decline, will reduce somewhat the effect of wage increases.

Farm wage rates on January 1, 1944 were at their highest point for that date in the 20 years for which records are available. The index, corrected for seasonal variation, rose 14 points between October 1 and January 1. Rates rose 51 points or 22.8 percent during calendar year 1943. The actual increase in wages per month, with board, averaged \$12.10 for the entire country. Increases occurred in all regions, ranging from \$5.00 in the East South Central States to \$15.00 in the Mountain States.

Total farm employment was slightly larger on January 1, 1944 than 1 year earlier but was below any other January in the past 18 years for which records are available. On January 1, 1943 the number of hired farm laborers was 39.4 percent less than the average number for January 1 in the period 1935-39, but the supply of family labor was only 20 percent below the 1935-39 average. However, for both classes of labor there was no further decline in numbers employed during 1943.

Wholesale Prices

The index of wholesale prices of the Bureau of Labor Statistics (1926=100) has been declining very slowly for the past 6 months. It stood at 102.9 in November 1943 as compared with a high point of 104.1 in May. The rate of decline has averaged 0.2 points per month. However, prior to May 1943 the index had been rising and the net change from November 1942 to November 1943 was an increase of 2.6 points. Recent wage increases in certain industries have contributed to higher prices, for example, coal.

The largest changes in connection with the recent decline in the index have occurred in the prices of farm products, which dropped 4.8 points from June to November after a previous rise of 15.7 points from November 1942 to May. Grain prices have risen throughout the past year and have increased 10.1 points since May while livestock and poultry prices were declining 10.0 points. Prices of raw materials have been declining since June.

The Bureau of Labor Statistics index of living costs of wage earners and lower-salaried employees in large cities for November 1943 was 124.1. This represents a decline of 0.3 points from October but was higher than in any other recent months except May and June. The index for November 1943 was 4.3 points higher than for November 1942. The largest increases in living costs have occurred in food and clothing, which rose 6.2 and 7.1 points respectively during the 12-month period.

FARM INCOME AND PRICES

Preliminary indications suggest that total income from farm marketings for December did not decline as much as usual. Income from livestock and livestock products was lower than in November. Receipts from all types of meat animals declined more than usual. Income from dairy products made about the ordinary seasonal increase. The quantity of milk sold was up slightly but the sales of butterfat were about the same. The marketings of chickens in December decreased less than usual as compared with November, and the increase in egg sales as compared with November was somewhat greater than the 10-year average. Prices of chickens and eggs dropped less than seasonally, and prices for other livestock and livestock products did not change significantly.

Income from crops in December showed less than the regular seasonal drop. There was a small increase in the sales of grain, but the marketings of cotton and cottonseed, oil-bearing crops, and vegetables were down sharply. Slightly higher prices for most crops helped to diminish the decline in receipts. Total income from all farm marketings amounted to about 1.7 billion dollars.

The index of prices received by farmers for January may be a shade higher than for December. The volume of marketings will show some decrease but total income may not decline as much as usual.

Total cash income from farm marketings for November was 2,005 million dollars compared with the revised figure of 2,253 million dollars for October. Exceptionally heavy marketings of meat animals and slightly higher prices for dairy and poultry products more than made up for the sharp drop in the volume of crops sold, and prevented the decrease in total cash income from being as great as usual.

For the first 11 months of 1943, total income was 17,319 million dollars, which was 25 percent greater than the 13,867 million dollars received during the same period the year before. Income from crops was 23 percent above 1942 while receipts from livestock and livestock products were 26 percent greater. Large gains were made by vegetables, oil-bearing crops, meat animals, and poultry and eggs.

COTTON

Present indications are that world production of cotton in 1943-44 may be slightly smaller than in 1942-43. This is largely attributable to the decline in production in this country (a drop from 12,817,000 bales last season to 11,478,000 bales in 1943-44), as the production in those foreign countries for which data for both 1942 and 1943 are available indicates a net increase of about 3 percent over last season. Last year these countries accounted for approximately two-fifths of the total production in foreign countries.

The world agricultural cotton crop for the 1942-43 season is estimated at approximately 27,250,000 bales. This production estimate is about 1/3 million bales or 1 percent smaller than the production in 1941-42 and is the smallest since 1935. The largest change occurred in the United States where

production increased from 10,744,000 bales in 1941 to 12,817,000 bales last season, an increase of nearly 2.1 million bales. However, this increase was more than offset by reductions of about 1.3 million bales in India and 0.9 million in Egypt. The net decline in all other countries is estimated to have been about 0.2 million bales.

Cotton farmers in this country are receiving a total return from their 1943 cotton crop only slightly less than they received from their substantially larger 1942 crop. The weighted average price received by farmers to December 1 was 20.00 cents per pound for lint and \$52.20 per ton for seed. Assuming these prices as the average for the crop as a whole and the sale of all of the 11,478,000 bales of lint and 80 percent of the seed produced, returns from marketings would total about 1,360 million dollars, compared with about 1,426 million dollars in 1942. Inclusion of Government payments raises these totals to 1,435 million this season and 1,506 million in 1942. The 1943 total including Government payments is 78 percent higher than the average returns during the decade of the 1930's, 64 percent above the average from 1909-13 and 3 percent above the average of the 1920's.

When reduced to a per-harvested-acre basis, returns from marketings averaged \$62.19 this season. This compares with \$63.07 last season. Inclusion of Government payments raises these figures to \$65.60 for 1943 and \$66.62 for 1942. These compare with averages of \$26.57 during the 5 years 1909-13, an average of \$36.06 during the decade of the 1920's and an average of \$27.06 per acre during the decade of the 1930's. In fact, the returns per acre in 1942 and 1943 have been exceeded only in 1919 when the return was \$69.25 per acre.

WHEAT

Wheat prices on January 17, compared with those on December 17 were 1 cent lower at Kansas City, 1 cent higher at Minneapolis, 5 cents higher at Portland, and 7 cents higher at St. Louis. Price changes have been influenced by the extending of ceilings on wheat prices, Government processing payments to flour millers, and flour purchases by the Government. With the exception of Portland, where prices are about 8 cents under the ceiling, prices in principal markets are generally at or close to ceiling levels.

The ceiling prices became effective January 4, and are at levels that reflect at least 100 percent of current parity to growers without taking into consideration payments made under the Soil Conservation and Domestic Allotment Act. Sales of soft wheat had been placed under ceilings by Office of Price Administration on November 6, 1943. The current action expanded this control to cover all wheat, and revised the basis for the ceilings on soft wheat. The soft wheat ceiling price in the revised regulation is \$1.71-7/8 a bushel for No. 2 Soft Red at St. Louis and Chicago, as compared with \$1.65 in the original regulation issued in November. Other typical ceilings are as follows: \$1.62 for No. 2 Hard Red Winter at Kansas City, \$1.63-7/8 for No. 1 Dark Northern Spring at Minneapolis, and \$1.58 for No. 1 Soft White at Portland. These prices include the usual commission charge of 1-1/2 cents a bushel, and customary trade practices are observed with regard to discounts and payments of premiums. The processing payment to millers enables the millers to pay as

high as the ceiling prices for wheat and at the same time sell flour for no more than the ceiling prices now in effect. The payments began December 1, 1943, and rates were revised upward January 1 to take care of the subsequent advance in wheat prices.

Rains throughout the Southwestern Belt and Middle Atlantic States have improved the outlook for wheat, according to the Weather Bureau. Moisture is mostly ample in Oklahoma, and conditions now are fairly good in Texas. In Kansas moisture in the east and south is sufficient to carry through to spring, but lack of moisture continues in the north central and some western counties. In Nebraska deterioration continues because of persistent dryness. In the Ohio Valley the condition of wheat is mostly satisfactory. In the Pacific Northwest the crop is off to a good start.

The situation with regard to supply and distribution in the current year remains about unchanged, with the carry-over next July still estimated at between 250 million and 275 million bushels.

FATS, OILS, AND OILSEEDS

Total production of fats and oils from domestic materials in the calendar year 1944 may be about 11.2 billion pounds compared with 10.8 billion pounds in 1943. Stocks on January 1, 1944 were moderately higher than a year earlier and imports are expected to increase in 1944. Hence, the total supply of fats and oils in the United States will be greater than a year earlier. Little change is likely, however, in supplies available for civilian consumption. With an increased number of men in the armed forces, military takings will expand. Exports of fats and oils under lend-lease are expected to increase moderately, and European relief requirements, if the war in Europe ends in 1944, probably would impose an additional burden on domestic supplies.

Increased production of fats from domestic materials and increased imports in late 1943 have brought some relief to the tight situation in fats and oils that existed at the end of the summer. The improvement has come almost entirely, however, in linseed oil and technical oils not suitable for food purposes. The relative scarcity of food fats still exists and is likely to continue throughout 1944. Linseed oil, which is in fairly abundant supply, also can be adapted for edible use. Substantial quantities of this oil probably will be exported in 1944, as in 1943, to meet Russian requirements for food fats.

Changes in wholesale prices of fats and oils in 1943 were slight, with three exceptions. Butter prices declined 5 cents per pound in June as a result of a reduction in maximum prices. In the first few months of 1943, prices of California olive oil rose about 8 cents per pound, and those of linseed oil about 2 cents per pound. Maximum prices were first established for linseed oil in May. Ceiling prices for other fats and oils had been established prior to 1943. In 1944, prices of fats and oils are expected to continue at or near ceiling levels, under pressure of strong civilian, military, and export demands.

CORN AND OTHER FEEDS

Disappearance of corn, oats, barley, and grain sorghums in October-December 1943 was about 8 percent greater than a year earlier and was the largest disappearance for this quarter on record. The quantity of wheat and rye fed to livestock also was at a record level for the period. Utilization of new-crop oilcake and meal, on the other hand, was only slightly greater in the last quarter of 1943 than in the last quarter of 1942. The comparatively large disappearance of feed concentrates reflects the record numbers of livestock on farms.

Total stocks of corn and oats on January 1, and barley on December 1 were about 15 percent less this season than last but were slightly above the average for the preceding 5 years. Making allowance for the disappearance of barley during December and grain sorghums in the period October-December, the supply of feed grains per animal unit on January 1, 1944 was about one-fifth smaller than a year earlier and below that for all years since 1938, although slightly above the long-time (1926-40) average.

Livestock numbers are likely to be reduced to some extent during the balance of the current feeding year. But with a record number on farms January 1, the total number to be fed this season probably will exceed the number fed in 1942-43. With a slightly smaller total supply of feed concentrates available for the season as a whole, the carry-over at the end of the season for each feed is likely to be substantially lower than at the beginning. The quantity of concentrates fed per animal unit also may be reduced from the comparatively high rate of feeding in 1942-43.

Preliminary indications point to a total disappearance of about 285 million bushels of wheat for feed from July through December of 1943. Possibly 185 million bushels will be available for feed in January-June 1944, depending partly on the volume of imports.

Hay supplies have been generally adequate except in the drought areas of the Eastern and South Central States. Although the movement of hay to eastern areas has been comparatively large, it has been necessary for some feeders, particularly in the East, to resort to heavier than usual grain feeding this winter.

LIVESTOCK AND MEATS

Total meat output in 1944 may reach 25.0 billion pounds on a dressed weight basis. This would be an 8 percent increase over the preliminary production estimate for 1943 of 23.2 billion pounds. Pork will constitute the largest part of the increase. The combined 1943 pig crops totaled almost 122 million head, a large part of which will be marketed in 1944. Also there will probably be a reduction in breeding sow numbers during the year. Slaughter of cattle may be substantially larger than the estimated 17 million head slaughtered last year. Lower production of lamb and mutton is in prospect.

The estimated meat production for 1943 of 23.2 billion pounds compares with 21.5 billion pounds produced in 1942. This increase was largely the result of increased hog slaughter. Beef production appears to have been moderately lower than in 1942. Production of veal and lamb and mutton increased slightly.

Civilian consumers will probably receive about as much meat in the first quarter of 1944 as they consumed in the last quarter of 1943. Civilian per capita meat consumption in 1944 will be near the 1943 level, if the production forecast is realized. The increased production in 1944 will be absorbed by increased military, lend-lease, and foreign relief requirements. Non-allocated meat reserves set up by War Food Administration may be used by civilians, in which event, civilians would get somewhat more meat per capita than is now anticipated.

War Food Administration purchases of meat have been greatly increased in recent weeks. November purchases of frozen meat were 75 million pounds. Purchases of cured pork and salted fat cuts were 38 million pounds. Purchases of 99 million pounds of frozen meat and 132 million pounds of cured pork and fat cuts were made during the 5-week period ending January 1, 1944. In October purchases of these items were: Frozen meats 68 million pounds and cured pork and salted fat cuts 14 million pounds. The announced monthly purchase program for the first quarter of 1944 is: Frozen meat 79 to 90 million pounds, cured pork 45 million pounds, and salted fat cuts 79 million pounds.

Hog slaughter in federally inspected plants was 7.6 million head in December. This compares with 6.8 million head slaughtered in December 1942. Hog slaughter under Federal inspection in the year 1943 was 18 percent greater than in 1942. Heavy hog receipts caused serious market congestion at most terminal markets in December and January. Short-time embargoes on the shipment of hogs to some terminal markets and heavy hog receipts which have taxed slaughterers' killing and processing capacity, have forced farmers to keep marketable hogs on farms. This will hold January slaughter at a high level and the rate of slaughter will continue high throughout the winter and spring. The War Food Administration extended support prices, effective December 23, 1943, so that they now cover Good to Choice 200 to 300-pound butcher hogs, for an indefinite period. The prices of butcher hogs heavier or lighter than support weights and of sows have been heavily discounted in price in recent weeks.

Cattle and calf slaughter was down 10 percent in December from November, but was 19 percent greater than in December 1942. Cattle slaughter under Federal inspection was 5 percent less in 1943 than in the previous year. Total calf slaughter in 1943 apparently exceeded slaughter in 1942, but federally inspected slaughter was down 10 percent. Cattle prices were stabilized the latter part of December by order of the Office of Economic Stabilization. Prices of all slaughter cattle at Chicago have remained at a relatively unchanged level since the first part of November, with the exception of cows, which declined in price to the lowest level of the season during late December. Since then corn prices have been sharply higher.

In December sheep and lamb slaughter under Federal inspection was down from the previous month, but was 4 percent over slaughter for December 1942. Slaughter of sheep and lambs under Federal inspection in 1943 was 8 percent over slaughter for the year previous. Lamb prices at Chicago for the week ended January 15 were about 80 cents higher than prices for the week ended December 18.

WOOL

The Commodity Credit Corporation purchased approximately 240 million pounds of domestic wool in 1943 under the Government purchase program which went into effect in April. Sales during the year amounted to about 50 million pounds, leaving unsold stocks of 190 million pounds at the end of 1943. Some privately owned stocks were held by dealers on December 31 but the quantity probably was small. The stocks held by the Commodity Credit Corporation, however, were much larger than stocks of domestic wool reported by dealers at the end of any recent year. Dealers' end-of-December stocks averaged 88 million pounds in the 5 years 1935-39, and were about 60 million pounds in 1941 and 1942.

The large quantity of wool unsold at the end of 1943 reflects the small mill consumption of domestic wool in the last half of the year when total mill consumption of apparel wool was near record levels. Manufacturers' stocks of domestic wool probably are small, but unless consumption is materially increased during the next few months the carry-over of unsold wools into the 1944 season will be large.

Commodity Credit Corporation stocks of domestic wool are offered at ceiling prices. Such prices are considerably higher than prices of comparable foreign wools and mills have used little domestic wool in civilian fabrics in recent months.

The War Production Board has recommended to the Office of War Mobilization that the stockpile of foreign wools owned by the United States Government be disposed of. Commercial imports of foreign wool are large at the present time. If withdrawals of stockpile wools are carefully controlled as to quantity and price, these wools could be substituted for future imports without changing the existing relationship between consumption of domestic and foreign wools.

DAIRY PRODUCTS

Milk production in 1943 was about 118 billion pounds, although during the last quarter of the year the level of production was equivalent to an annual total of only 115 billion pounds. To reach the 121 billion pound goal for 1944 will require substantial production increases - increased cow numbers, diversion of feed from other livestock to dairy cows, and maximum production of pasture and feed crops for the latter part of the year. If present conditions continue, total milk production will be about 116 billion pounds in 1944. Supplies of feed are less than enough for maximum production from the record numbers of livestock now on farms. If ratios of all livestock prices to feed prices continue favorable it is unlikely that enough feed will be diverted to dairy cattle for production to exceed 116 billion pounds of milk.

Fluid milk sales in 1944 probably will be about 1 percent greater than in 1943 but combined fluid milk and cream sales will be less than in 1943 because of the limitation on fluid cream and fluid milk byproduct sales under FDO 79. Also, it is likely that less milk will be used on farms. However, the quantity of milk available for manufactured products may be slightly smaller than the quantity so used in 1943. Present indications are that

creamery butter production may be about 1,620 million pounds in 1944 as compared with 1,690 in 1943, that total whole milk cheese production will be about 985 million pounds as compared with 977 million pounds last year, and that evaporated milk production will increase to about 3,310 million pounds in 1944 from 3,075 million pounds in 1943.

Supplies of dairy products will be far short of demand in 1944. Military requirements probably will be larger than in 1943. An increase in the proportion of the armed forces that are abroad will tend to shift requirements from fresh fluid milk to dried and evaporated milk. United States civilians are probably willing to take, at present prices, all the dairy products that will be produced.

Farm income from whole milk marketings is likely to be larger in 1944 than in 1943. The average price paid to farmers for whole milk probably will be about the same as it was at the close of 1943. The effect on average price of further increases in fluid milk sales will be about offset by diversion of milk from sale as farm-separated cream to sale as whole milk for manufacturing. Sales of, and income from, farm-separated cream probably will be smaller than in 1943.

The feed payment program has been continued through January with rate increases in the North Central States, the West and the Southwest. The increases average about 3 cents per hundredweight of milk sold in the United States and one cent per pound of butterfat.

POULTRY AND EGGS

With mild weather in many heavy producing areas egg production increases more than seasonally from mid-December to mid-January. Wholesale prices of eggs at Chicago declined 5 to 8 cents per dozen between December 15 and January 15. At New York even sharper declines occurred in that period. In mid-January, however, wholesale prices of most grades were approximately the same as a year earlier and considerably below prevailing ceilings.

Total egg production in the United States during December was 6 percent larger than the previous record set in December 1942, and 73 percent above the 1932-41 average for that month. Total egg production in 1943 was 12 percent larger than the previous record output of 1942.

Marketings of old hens were unusually heavy during the fourth quarter of 1943 but with a record number of pullets available, the preliminary estimate of the number of potential layers by January 1 had increased to a new record of fully 4 percent larger than the number on January 1, 1943. Potential laying flocks are composed of a record large proportion of pullets.

Marketings of chickens have declined considerably from the late 1943 seasonal peaks and demand at ceiling prices exceeds supplies in most poultry markets. Marketings will be at the seasonally low level from February through April. FDO 91 issued at the end of December, "freezing" storage stocks of poultry will remain in effect until about 70 million pounds of chicken have been purchased for the military forces. On January 1, storage stocks of poultry totaled about 226 million pounds compared with 188 million pounds on January 1, 1943.

The demand for baby chicks has fallen off considerably in the last two months, apparently because of advancing feed prices and uncertainties in obtaining supplies of feed. The weakness in demand noted so far originates primarily in commercial broiler areas. Advance orders for laying flock replacements continue at record levels. However, because of the less favorable egg-feed ratio in prospect, it is likely that farmers will purchase fewer chicks this season than last.

FRUIT

Citrus fruits predominate among the fresh fruits moving to market during the winter season. Of a total of 6,144 cars of domestic fruit shipped by rail and boat during the week ended January 8, 1944, five-sixths consisted of citrus fruits. Apples, pears, and grapes comprised most of the remainder.

Carlot shipments of fresh fruit reached a winter season high of 8,223 cars for the week ended December 11, declined sharply to 4,727 cars for the week ended December 25, and then increased substantially to 6,144 cars for the week ended January 8. The last figure compares with 5,393 cars a year earlier. The pattern of movement during the past month was similar for each of the principal kinds of fruits.

Supplies of citrus fruits remained plentiful during the past month and are expected to be abundant for the remainder of the 1943-44 season. In contrast, supplies of apples, pears, and grapes will be short, declining seasonally.

Growing conditions for citrus fruit continued favorable during December. This resulted in a slight improvement in prospective production for the 1943-44 season. On the basis of January 1 conditions, total production of oranges and tangerines is expected to total 97 million boxes, which, if realized, will set a new record. The indicated production this season is 9 percent larger than the record crop last season and 46 percent larger than the 10-year (1932-41) average. Production of early and mid-season oranges and tangerines, now moving to market in large volume, is estimated to be 19 percent larger than last season.

Total production of grapefruit this season is indicated to be 49.5 million boxes, about 2 percent less than last season but 69 percent larger than the 10-year average. Production of lemons in California is indicated to be 15 million boxes, less than 1 percent larger than a year ago but 48 percent larger than the 10-year average.

Prices for apples on the New York auction were relatively steady from mid-December to mid-January, but were slightly higher than prices in November, reflecting scheduled increases in ceiling prices. In contrast, prices for pears, which are not under ceiling regulations, fluctuated considerably, but were at about the same level at mid-January as at mid-December.

New York auction prices for Florida grapefruit advanced moderately from mid-December to late December and then declined continuously to mid-January, those for Florida oranges increased slightly during December but declined sharply in early January to the level of a month earlier, while those for California navel oranges remained steady at ceiling levels during December but declined a dollar a box the first week of January and still

further the following week. Prices for pears and grapefruit during the second week of January were higher than those of a year earlier, and prices for apples and oranges were at about the same level as those of a year earlier.

TRUCK CROPS

A record large production of winter season truck crops, 1,408,000 tons, is in prospect for 1944. This exceeds production in 1943 by 37 percent and exceeds the 10-year (1933-42) average by 53 percent. The acreage in these crops is estimated to be about 28 percent larger than in 1943.

Winter season production in 1944, compared with 1943, is larger for 12 vegetables by the following percentages: Green peas, 130; tomatoes, 112; escarole, 108; cabbage, 85; celery, 32; spinach, 30; cauliflower, 28; kale, 28; beets, 24; shallots, 18; lettuce, 16; and snap beans 14 percent. The percentage increase in cabbage, although somewhat smaller than that for three other crops, accounts for about three-fifths of the total increase in the aggregate vegetable tonnage. Decreases in production of four crops are indicated as follows: Carrots, 3 percent; artichokes, 8 percent; eggplant, 24 percent; and green lima beans, 35 percent. The green pepper crop is expected to be about the same in size as last season's.

Intended acreages for five spring crops total, in the aggregate, 15 percent larger than in 1943. Indicated increases are as follows: Watermelons in Florida, 68 percent; onions, 44 percent; and early spring cabbage, 24 percent. Decreases are reported for asparagus, 2 percent, and for shallots, 17 percent.

Market supplies of cabbage, escarole, lettuce and spinach, especially cabbage, are expected to be plentiful during the next few weeks. Snap beans, beets, carrots, cauliflower, celery, and kale should be available in moderate supply. Marketings of onions probably will continue materially below those of a year ago. Supplies of other vegetables during the next few weeks, although expected to be larger than a year earlier, generally will be substantially short of demand.

Average prices to growers for truck crops the first half of December 1943 were from 57 percent (celery) to 184 percent (cabbage) of those for the same period a year earlier. These December 1-15 prices were lower for nine crops and higher for six crops in 1943 than in 1942. F.o.b. prices in representative shipping districts for the week ended January 8, 1944, compared with prices for the week ended December 18, 1943, were substantially higher for snap beans; slightly higher for Danish cabbage and onions; about at the same level for beets, carrots, and new cabbage; slightly lower for spinach; and considerably lower for cauliflower and lettuce.

POTATOES

Supplies of 1943 late crop white potatoes continue plentiful. The reported planted and intended acreages of winter and spring commercial early white potatoes in 1944 total 244,000 acres, slightly more than a year ago. In southern Florida, cold weather has reduced the yield per acre below that of 1943. Prices for 1943 late crop potatoes have increased moderately since mid-December.

ECONOMIC TRENDS AFFECTING AGRICULTURE

INDEX NUMBERS: INDICATED BASE PERIOD = 100.

YEAR AND MONTH	INDUS- TRIAL PRO- DUCTION ¹	FACTORY EMPLOY- MENT ²	FACTORY PAY ROLLS ²	INCOME OF IN- DUSTRIAL WORKERS ³	CASH INCOME FROM FARM MAR- KETINGS ⁴	WHOLE- SALE PRICES OF ALL COMMOD- ITIES ⁵	RETAIL FOOD PRICES ⁶	COST OF LIVING URBAN ⁷	PRICES RECEIVED BY FARMERS ⁸	PRICES PAID BY FARMERS ⁹	PRICES PAID BY FARMERS, INTEREST AND TAXES ⁹	RATIO OF PRICES RE- CEIVED TO PRICES PAID INCL. INTEREST AND TAXES
<i>Base Period</i>	1935-39	1935-39	1935-39	1935-39	1935-39	1935-39	1935-39	1935-39	1910-14	1910-14	1910-14	1910-14
1929	110	108	127	134	142	118	133	123	146	154	167	87
1930	91	94	103	110	113	107	126	119	126	146	160	79
1931	75	80	78	84	80	91	104	109	87	126	142	61
1932	58	68	54	58	59	80	86	98	65	108	124	52
1933	69	75	58	61	67	82	84	92	70	108	120	58
1934	75	88	75	76	79	93	94	96	90	122	129	70
1935	87	93	85	86	89	99	100	98	108	125	130	83
1936	103	101	99	100	105	100	101	99	114	124	128	89
1937	113	111	118	117	111	107	105	103	121	131	134	90
1938	89	93	91	91	96	98	98	101	95	123	127	75
1939	109	102	106	105	99	96	95	99	92	121	125	74
1940	125	110	122	119	105	98	97	100	98	122	126	78
1941	162	135	178	169	140	108	105	105	122	131	133	92
1942	199	155	258	238	194	123	124	117	157	152	151	104
1943	--	--	--	--	--	--	138	124	188	167	163	115
1942- Dec. ¹⁰	223	168	306	278	226	125	133	120	178	158	156	114
1943- Jan.	227	168	310	281	224	126	133	121	182	160	157	116
Feb.	232	170	317	287	240	127	134	121	178	162	159	112
Mar.	235	171	324	295	260	128	137	123	182	163	160	114
Apr.	237	171	330	300	261	129	141	124	185	165	162	114
May	238	171	334	302	258	129	143	125	187	167	163	115
June	236	172	338	304	256	129	142	124	190	168	164	116
July	240	173	336	306	256	128	139	124	188	169	165	114
Aug.	242	174	343	312	266	128	137	123	193	169	165	117
Sept.	244	174	349	315	242	128	137	124	193	169	165	117
Oct.	247	174	354	317	249	128	138	124	192	170	166	116
Nov. ¹⁰	247	174	358	318	256	128	137	124	192	171	167	115
Dec. ¹⁰	--	173	--	--	--	128	137	124	197	172	168	117

¹Federal Reserve Board, adjusted for seasonal variation. 1939 to date revised October 1943.

²Based on Bureau of Labor Statistics data. Seasonal fluctuations in factory employment and pay rolls appear to have been largely eliminated since the United States entered the war; accordingly, no adjustments for seasonal variation have been made since December 1941.

³Includes factory, railroad, and mining employees. Adjusted for seasonal variation.

⁴Adjusted for seasonal variation.

⁵Bureau of Labor Statistics, 1926 = 100 converted to 1935-39 = 100 by multiplying by 124.069 percent.

⁶Bureau of Labor Statistics.

⁷Bureau of Labor Statistics. Index numbers of cost of goods purchased by wage earners and low-salaried workers in large cities.

⁸August 1909-July 1914 = 100.

⁹Annual figures are straight averages of 12 monthly indexes.

¹⁰Preliminary.

Note: In comparing trends between industrial production and industrial workers' income, as indicated by the above index numbers, notice should be taken of the fact that income of railway workers, as well as incomes of mining and factory workers, is included in the index of industrial workers' income, whereas the industrial production index is based on mining and manufacturing only. Similar precautions are necessary in comparing trends between industrial production and factory employment and pay rolls. Another consideration of importance is that the production index is based on volume, whereas the income indexes are affected by changes in wage rates as well as by time worked. In comparing monthly indexes it is important to keep in mind the fact that there is usually a time lag between changes in volume of production and similar changes in employment and in workers' income.